

KBS SELLS VON KARMAN TECH CENTER IN IRVINE, CALIFORNIA TO A PRIVATE INVESTOR FOR \$25.4 MILLION

Multimillion Dollar Repositioning Represents the Strength of Redeveloped Creative Workspaces in the Irvine Submarket



IRVINE, California (January 24, 2020) – [KBS](#), one of the largest owners of premier commercial real estate in the nation, has announced that it has sold Von Karman Tech Center, a 101,161 square-foot multi-tenant office building in Irvine, California. The property owned by KBS Growth & Income REIT, Inc. was sold in an off-market transaction for \$25.4 million to private buyer, Dayani Partners.

The sale represents the strength of assets in the Irvine submarket, according to Rod Richerson, regional president, Western United States for KBS.

“Irvine matches well with KBS’ overall strategy of investing in strong tech markets throughout the country with solid employment and population growth,” says Richerson. “When KBS purchased this best-in-class office asset, we recognized this area of Irvine for its potential as an up and coming area for Orange County’s tech tenants. The area had a significant multi-family development pipeline and other walkable amenities that attract quality tenancy.

Von Karman Tech Center was developed in 1980 and fully renovated in 2013-2014. KBS acquired the two-story asset in 2015 and recently invested in a multimillion dollar renovation.

“Similar to the asset upgrades we perform in most of the markets in which we invest, the renovations we implemented at this property are highly appealing to today’s tech tenants,” says Tim Helgeson, senior vice president and asset manager at KBS. “Von Karman Tech Center provides an ideal place for tenants to attract top talent and achieve their business objectives, and the property fully supports the live/work/play environment in which it is located. The quality of KBS’ ownership during the last four years has made this asset tremendously appealing to our current tenants and desirable for the buyer.”

Following the renovations, the property has seen significant leasing activity in 2019, bringing occupancy up to nearly 90%, with new leases, renewals, and expansions signed year-to-date at more than 17,810 square feet with the majority of space leased through 2023 and beyond.

At the time KBS purchased Von Karman Tech Center, many office properties in the area were being redeveloped into creative workspaces, which served to elevate the submarket, says Helgeson.

“Repositioning activity was prevalent around us during our ownership of Von Karman Tech Center,” says Helgeson. “With properties like The District and Flight being developed nearby, and the additional enhancements to properties on Von Karman Avenue, the area has truly changed and been upgraded with heavy capital investment by owners. As a result, valuations are rising, making this disposition well timed for us.”

Von Karman Tech Center sits on 4.61 acres in the Irvine Business Complex, along a prominent thoroughfare adjacent to The District at Tustin Legacy shopping center and entertainment hub, which boasts some of the

city's most popular dining establishments, boutiques and specialty shops, the building provides tenants with high corporate visibility and ease of access to numerous retail and service amenities and nearby beaches. It features a growing collection of new residential and commercial developments, including more than 6,800 residential units under planning and construction at this time.

According to [CBRE](#), in Q3 2019, the Orange County office market leasing activity increased 34% over the quarter led by business services, real estate, life sciences and education companies. A tightening office market, strong fundamentals and new construction spurred activity and it is expected to keep steady through year-end.

"I'm thrilled to grow my real estate footprint into Orange County which is home to one of the nation's most dynamic cluster of tech tenants," says Hooman Dayani. "Strong rental demand makes the area highly desirable and I plan to add to the already extensive amenity package at the building."

Anthony DeLorenzo and Gary Stache of CBRE represented KBS in the sale. They buyer was self-represented.

"KBS was acute to buy in Irvine at the right time and has seen leasing rates increase 4.1% in Orange County year-over-year, the highest growth achieved in the past four quarters," says Morgan Lieber of A Street Partners, KBS' leasing representative. "Hooman Dayani will benefit from low unemployment which continues to increase demand for creative office space as tenants seek to attract and retain talent."

Bruce Fischer, Christine Fan, and Amanda Kennedy of global law firm Greenberg Traurig, LLP's Orange County office represented KBS as legal counsel on the sale.

"We were very pleased to represent KBS in this significant strategic transaction, which is an example of Orange County's robust office submarket," said Fischer, Greenberg Traurig's Chair of the West Coast Real Estate Practice and Co-Managing Shareholder of the Orange County Office, who led the Greenberg Traurig team and represented KBS when the company first purchased the office building.

Von Karman Tech Center is located at 16842 Von Karman Avenue in Irvine, California.

Please find photos of Von Karman Tech Center [here](#).

About KBS

[KBS](#) is one of the largest owners of premier commercial real estate in the nation. As a private equity real estate company and an SEC-registered investment adviser, KBS and its affiliated companies have completed transactional activity of approximately \$40 billion on behalf of private and institutional investors globally. Founded in 1992 by Peter Bren and Chuck Schreiber, KBS acquires and operates prime commercial real estate in some of the most successful epicenters in the country. The firm is committed in its business ethics, its business relationships and its constant focus on exceeding the expectations of its investors, partners and tenants. For more information on KBS, please visit www.kbs.com.

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